

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

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For Immediate Release

NEWS RELEASE SUMMARY - November 14, 2005

United States Attorney Carol C. Lam announced that two Los Angeles area men were sentenced today in U.S. District Court in San Diego by the Honorable Jeffrey T. Miller based on their guilty pleas to federal felony charges related to conspiracy to traffic in counterfeit goods. Judge Miller sentenced Felipe Gonzalez to serve 24 months in custody, followed by three years of supervised release, and a \$5,000 fine. Defendant Alfredo Esqueda, was sentenced to serve 37 months in custody, followed by three years of supervised release and a \$7,500 fine. Both defendants were also ordered to jointly pay restitution to victim companies – Moschino in the amount of \$10,000, and Versace in the amount of \$7,500.

Felipe Gonzalez and Alfredo Esqueda each pled guilty to conspiracy to traffic in counterfeit goods before Judge Miller on June 27, 2005. In addition, Alfredo Esqueda pled guilty to committing perjury in connection with testimony he previously provided in a criminal trial. In pleading guilty, Felipe Gonzalez admitted that before July 30, 2004, he agreed with co-defendant Alfredo Esqueda and others to traffic in counterfeit goods. Gonzalez admitted that he arranged for others to bring him counterfeit Calvin Klein labels from Mexico. Gonzalez had the counterfeit labels delivered to him in Los Angeles, where he provided them

to persons who sewed them onto counterfeit jeans. Gonzalez acknowledged that he later sold the counterfeit jeans to others in the Los Angeles area, knowing that the counterfeit jeans would be marketed to consumers as authentic Calvin Klein jeans.

In his plea, Alfredo Esqueda admitted that in furtherance of the conspiracy to traffic in counterfeit goods, on July 30, 2004, an individual drove a vehicle, which contained counterfeit Levis and Versace labels and rivets that belonged to Esqueda, from Mexico into the United States through the Otay Mesa, California, Port of Entry (POE). Esqueda admitted that the labels were to be delivered to him in the Los Angeles area, where he planned to have them sewn onto counterfeit jeans. Esqueda also admitted that he sold the counterfeit jeans to others in the Los Angeles area, knowing that the counterfeit jeans would be marketed to consumers as authentic. Esqueda acknowledged that he sold \$400,000 to \$1 million in counterfeit goods.

Esqueda also admitted that he committed perjury on May 20, 2004, when he testified in United States v. Salvador Villanueva, Criminal Case No. 02-CR-3103-W, a case involving allegations of trafficking in counterfeit goods. Esqueda admitted he falsely denied knowing the alleged supplier of the counterfeit labels or ever exchanging money with him. Salvador Villanueva was convicted at that trial, and is currently serving his sentence of 63 months.

DEFENDANTS

Criminal Case No. 05-CR-0422-JM

Felipe Gonzalez

Alfredo Esqueda

SUMMARY OF CHARGES

Count 1 (Gonzalez and Esqueda)

Conspiracy to Traffic in Counterfeit Goods, in violation of Title 18, United States Code, Section 371
Maximum Penalty: 5 years in custody and \$250,000 fine

Count 5 (Esqueda)

Perjury, in violation of Title 18, United States Code, Section 1621(1)
Maximum Penalty: 5 years in custody and \$250,000 fine

AGENCY

Immigration and Customs Enforcement, Department of Homeland Security